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NHSA-03-19015-8

S10-040226-009



STATE OF TENNESSEE

DEPT. OF TRANSPORTATION  
DOCKETS

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PHIL BREDESEN  
GOVERNOR

February 13, 2004

The Honorable Norman Y. Mineta  
Secretary  
U.S. Department of Transportation  
400 Seventh Street, SW  
Washington, DC 20590

Dear Secretary Mineta:

I have been informed that the National Highway and Traffic Safety Administration of the Department of Transportation is considering a petition by Nissan North America, Inc., for a statutory exemption from the Corporate Average Fuel Economy (CAFE) program. This would require separate fuel economy calculations for domestically and non-domestically manufactured passenger cars (known as the two-fleet or fleet-split requirement).

It is my understanding that after 2005, NAFTA requires Nissan vehicles made in Mexico for the U.S. market to be treated as domestically produced for measuring fuel economy. This could result in Nissan having to pay a CAFE penalty. To avoid this penalty, Nissan could reduce the domestic content of the vehicles made in Mexico. That might result in Nissan reducing jobs at U.S. auto parts suppliers or reducing U.S. production of passenger cars. That would reduce jobs in my state in part because the Nissan Maxima and Altima are made here. I am sure you will agree that neither option is good for workers in Tennessee or the rest of the United States.

I am informed that the law requires that an exemption be granted unless you determine that the exemption will reduce motor vehicle production employment in the United States. However, if this exemption is granted, Nissan can maintain current levels of domestic production and increase employment in the U.S. without being penalized by the federal government.

Granting the exemption will allow Nissan to continue its current expansion plans beyond 2005 and will facilitate continued increases in domestic production and employment in the United States from now through 2010. Most important, it will meet Congress' goal of increasing U.S. production and will benefit the workers of Tennessee. I urge you to grant this petition for exemption from the two-fleet requirement.

State Capitol, Nashville, Tennessee 37243-0001  
(615) 741-2001

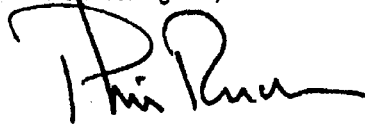
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I appreciate your consideration of this issue. Do not hesitate to contact my office if I can be of further assistance.

Warmest regards,

A handwritten signature in black ink, appearing to read "Phil Bredesen". The signature is fluid and cursive, with the first name "Phil" and last name "Bredesen" clearly distinguishable.

Phil Bredesen